

EXIT AUDIT

JOSEPH W. RUTTER, JR.

April 4, 2003

The County Council and County Executive
of Howard County, Maryland

Pursuant to Section 213 of the Howard County Charter we have conducted an

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and our report is submitted herewith. The charter requires the County Auditor to perform an audit upon the "...death, resignation, removal or expiration of term of any County administrative officer." This audit was initiated because of the resignation of Joseph W. Rutter, Jr., as Director of the Department of Planning and Zoning, effective January 16, 2003.

Our review indicated that the assets relating to and under the control of Mr. Rutter have been adequately accounted for in accordance with County requirements. During our review, we noted some of the County's resignation procedures were not properly followed. We have made an appropriate recommendation to correct these problems.

The Administration will be responsible for distributing a copy of this report to Mr. Rutter and arranging for implementation of any recommendations. We wish to express our gratitude to the staffs of the Chief Administrative Officer, the Office of Human Resources, the Office of Purchasing, and the Department of Finance for the cooperation and assistance extended to us during the course of this engagement.

Ronald S. Weinstein, C.P.A.
County Auditor

Stephanie J. Kiser, C.P.A.
Auditor-in-Charge

INTRODUCTION AND SCOPE OF EXAMINATION:

In accordance with Section 213 of the Howard County Charter, the County Auditor is required to perform an audit upon the "...death, resignation, removal or expiration of term of any County Administrative Officer." Mr. Joseph W. Rutter, Jr. resigned as Director of the Department of Planning and Zoning, effective January 16, 2003. Accordingly, we have performed an audit of the records of the Department of Planning and Zoning for the period January 1, 2002, through January 16, 2003.

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances. This primarily involved a review of travel advances, expense reimbursements, leave records, final pay, and the custody and return of County property.

FINDINGS AND COMMENTS:

Leave Records and Final Pay

We examined Mr. Rutter's leave records for the period from January 1, 2002, to January 16, 2003. These records indicated that Mr. Rutter had requested a total of 24 hours of personal leave in calendar year 2002. The final paycheck issued to Mr. Rutter indicated that he had not been paid for any personal leave in calendar year 2003. The maximum personal leave allowed per year is 24 hours. The final paycheck also showed that Mr. Rutter received payment for 2,051.41 hours of accumulated annual leave and 32 hours of regular earnings. We have determined that in calculating the State and Federal withholding tax for this lump sum payment, the Payroll Division applied an approved method established by the Federal Tax Code. All calculations to determine net pay were correct. The information on the corresponding timesheet submitted by the Department of Planning and Zoning agreed with the final paycheck.

County Assets and Access to County Property

Howard County Employee Manual-Separation from Employment policy requires the employee to surrender all property issued by the County. The Division of Purchasing provided certification to the Human Resources Administrator that the assets in Mr. Rutter's control had been returned. We obtained a copy of the list of assets returned as a backup to the certification. We determined that Mr. Rutter had no check signing or wire transfer authority through the Howard County Government. In addition, we determined that Mr. Rutter did not have any outstanding debts with the County.

In our examination, we looked for evidence that Mr. Rutter had returned all materials which would grant him access to County property. We did determine through the Department of Planning and Zoning that all keys had been returned. We obtained a copy of the certification from the Department of Technology & Communications that Mr. Rutter's access to the County's data processing system had been purged. In addition, we verified that Mr. Rutter had returned his identification card.

Howard County Employee Manual-Separation from Employment policy states that an employee, depending on his/her status, may be required to file financial disclosure statement

pursuant to Section 22.205 (d) (2) of the Howard County Code. This financial disclosure has not yet been requested.

In order to be in compliance with this Procedure, we recommend that:

1. ***The Office of Human Resources request a financial disclosure statement at the time of resignation of any Executive Exempt employee.***

We have addressed this same issue in previous exit audits.

Expenditures and Encumbrances

A Schedule of Expenditures vs. Budget for the Department of Planning and Zoning for FY 2003 is presented in Attachment 1 of this report. This review was made to determine if any overexpenditures occurred in Mr. Rutter's area of responsibility. We found that none of the areas under Mr. Rutter's control had expenditures in excess of budget.

Policy and Procedure

Our office received a memorandum from the Human Resources Administrator informing us of the resignation of Mr. Rutter. This memorandum requested that we certify that the requirements for our agency as outlined in Policy and Procedure #300.52, "Resignation Procedures for Executive Exempt Employees," have been met.

In researching the requirements of Policy and Procedure #300.52 we determined that this procedure no longer existed. The Chief Administrative Officer informed us that the County is now following the Separation from Employment Policy in the Employee Manual.

This new policy only discusses the responsibilities of the employee. The "old" Policy and Procedure #300.52 required that the Office of Human Resources obtain a certification from the Purchasing Division, the Central Services Division and the Department of Technology and Communication Services regarding the employees lack of access to County assets and property. Although it appears that the departments are still following Policy and Procedure #300.52, this policy was eliminated from the new Employee Manual. We feel that the responsibility for ensuring that the departing employee has surrendered all assets and access to county property should be with the County agencies and documented in the manual.

We therefore recommend that:

2. *The Administration reinstate Policy and Procedure #300.52 “Resignation Procedures for Executive Exempt Employees.”*

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